Speech of Shri Jagjivan Ram
Introducing the Railway Budget
for 1959-60, on 18th February, 1959

Mr. Speaker,

Sir, I rise to place before the House the estimates of receipts and expenditure of the Indian Railways for the year 1959-60.

Financial Results of 1957-58

2. As usual, I shall deal first with the completed accounts of the previous year. The actual Gross Traffic Receipts were Rs. 379.78 crores, against the Revised Estimates of Rs. 384.40 crores, that is, a shortfall of Rs. 4.62 crores, which was under both passenger and goods traffic. There was a marked decline in traffic from about the middle of January 1958. The Ordinary Working Expenses showed an increase of Rs. 5.02 crores over the Revised Estimates of Rs. 259.16 crores. This increase in working expenses was largely under repairs and maintenance expenditure, incidental partly to the steadily expanding railway assets and partly to various safety measures taken to minimise accidents to the maximum extent practicable. After allowing for other smaller variations, the net surplus came to Rs. 13.38 crores, against the Revised Estimate figure of Rs. 21.66 crores. The entire surplus of the year was credited to the Development Fund.

Review of the Railway's Second Five Year Plan

3. Before I come to the Revised Estimates of the current year, I shall give the House a brief resume of the progress made in the Railway's Second Five Year Plan, as three years of the Plan will be completed on the 31st March, 1959.

4. During 1956-57, the first year of the Second Five Year Plan, the total tonnage lifted was 124 million tons against 114 million tons in 1955-56; that is, an increase of about 8.8 per cent. In 1957-58, the tonnage lifted rose to 132 million tons, a further increase of about 6.5 per cent over 1956-57. For the current year, the further increase in traffic is not likely too be more than 5 million tons over the 1957-58 figure, as against the anticipated increase of 12 million tons over 1957-58. Except for the increase in coal traffic, the rest of the increase in goods traffic has been much less than anticipated; and, in fact, there has been a drop in the case of agricultural products.

5. As regards the expenditure, on the Railway' Plan, the outlay rose to Rs. 251.47 crores in 1957-58, against an outlay of Rs. 179 crores in the first year. It is expected to be Rs. 245.25 crores in the current year. A provision of Rs. 235 crores is being made in the Budget. This will leave a balance of about Rs. 211 crores for 1960-61, the last year of the Plan, out of the total of Rs. 1121.5 crores allotted to the Railway Ministry under the Plan. As the House is aware, the Railway's Second Five Year Plan has had to be rephased so as to accommodate, within the provision of Rs. 1121.5 crores, the rise in the cost of material and labour as well as reduction in the foreign exchange element. Even though the increase in goods traffic in the current year has fallen below anticipations, there is every reason to expect that there will be additional demand for rail transport to the extent of about 14 million tons in 1959-60, with the Steel Works going into various stages of production, with agricultural crop being more promising, and with the opening of the Ganga Bridge to traffic. The originating freight traffic which the Railways may be called upon to handle by the end of 1959-60 will thus be about 151 million tons. The indication therefore is that the estimate of 162 million tons at the end of the Second Five Year Plan (i.e., at the end of 1960-61) will be reached. I may assure the House that every endeavour will made to develop the capacity of the Railways to meet this demand.

Review of 1958-59 - Operation

6. The increase in wagon loadings on the Broad Gauge during the year has been only about 2 per cent to the end of December, 1958 as compared to the corresponding period of the previous year, while there has been a shortfall of more than 7 per cent on the Metre Gauge. Large scale food-movements were made to meet the demands of the deficit areas affected by drought in North Bihar. During August 1958, over 3,600 Broad Gauge wagons carrying about 80,000 tons of foodgrains were transhipped at various points for stations in North Bihar, in spite of difficulties at the riverine transhipment points. In addition, about 3,000 Metre Gauge wagon loads; with approximately 35,000 tons of foodgrains, were moved to North Bihar from Kandla and other Metre Gauge stations of Northern, Western and Northeastern Railway systems. With the formation of a separate Zonal Railway Administration, the movements over the Assam Rail Link improved and the demands for Assam on the whole were also met satisfactorily.

7. The overall coal loading in the country during the current year, upto November, 1958, was a record figure of 4,995 daily, as against 4,660 wagons during 1957-58, registering an increase of 7.2 per cent. The increase in earnings is not commensurate with this increase, as coal is not a high-rated traffic. In the Bengal and Bihar Coalfields, coal loading averaged a record figure of 3,971 wagons per day, as compared to 3,700 wagons during the previous year. Steady improvement in the movement of traffic *via* Moghalsarai was maintained; an average of 2,176 wagons were moved daily in the upward direction, compared to 2,037 and 1,881 during the previous two years.

8. The trend of decline in traffic, which commenced early in 1958, continued till about November, 1958. The decline in freight traffic in 1958-59, as compared to 1957-58, has been pronounced under grains and pulses on the Broad Gauge, and under oilseeds, cotton, jute and sugarcane on both Broad and Metre Gauges. The demands for wagons for goods transport generally were slack practically throughout the country except on a few difficult routes through which the pressure of traffic continues. The greater availability of wagons, even during the busy season, was notified through the Press, and Trade was invited to take advantage of this. A development, which has come to notice in this connection, is the diversion of high-rated traffic to road transport on routes parallel to the Railways where Railways have enough capacity to move additional traffic. This matter is receiving attention, with a view to seeing what readjustments are necessary in order to ensure the maximum utilisation of our limited transport resources.

9. A significant development in Railway operation during the year is the adoption of diesel traction on a few selected routes. A beginning has also been made in the use of centre buffer couplers for hauling heavier goods trains.

Revised Estimates for 1958-59

10. It is now estimated that the goods earnings during the current year will be Rs. 245.83 crores, or a shortfall of Rs. 4.67 crores as compared to the Budget anticipation of Rs. 250.50 crores; the passenger earnings are now expected to be Rs. 116.30, crores, against Rs. 124.73 crores in the Budget Estimates. Under Other Coaching Earnings and Sundry Earnings, there may be minor compensating variations. In the result, Gross Traffic Receipts for the current year are now estimated at Rs. 394.38 crores, or a shortfall of Rs. 13.10 crores as compared to the Budget Estimates. Against this, there is a fortuitous credit of Rs. 2.63 crores on account of the write back to revenue, of the Government contribution and interest thereon in the State Railway Provident Fund account of railway employees who have elected the Pension System of retirement benefits in lieu of the State Railway Provident Fund benefits.

11. The Revised Estimate of Ordinary Working Expenses is Rs. 274.22 crores, that is, an increase of Rs. 5.87 crores over the Budget Estimate of Rs. 268.35 crores. Out of this increase, an amount of nearly one crore of rupees is attributable to the increase in the price of coal (75 nP from 17th May 1958, which increase was reduced to 41 nP per ton from 17th October 1958). Besides this, there has been increase due to payment of arrears of sales tax not provided, the cost oft materials having gone up more than anticipated, additional expenditure on various measures for safety, such as patrolling of bridges and increased expenditure on the rehabilitation and maintenance of track and bridges as well as on the increased number of rolling stock turned out after repairs from the workshops and sheds.

12. The net surplus for 1958-59, after allowing for other variations in the revenue account including a reduction of about Rs. 2.6 crores in the expenditure on Open Line Works chargeable to Revenue, is now expected to be Rs. 13 crores. This surplus will be credited to the Development Fund.

13. The Revised Estimate of expenditure on Works, Machinery and Rolling Stock during the current year has now been placed at Rs. 245.25 crores - a reduction of about Rs. 14.75 crores from the Budget Estimate.

14. At this stage, I shall refer briefly to the position of the balances in the different Funds. The Depreciation Reserve Fund and the Revenue Reserve Fund are anticipated to have sizeable balances on the 31st March, 1959, of about Rs. 50 crores each. The Development Fund, however, was left with an opening balance of Rs. 1.85 crores only on the 1st April 1958, as a result of the net Railway surplus in 1957-58, after payment of dividend to General Revenues, having come down to Rs. 13.38 crores. This Fund, which is fed only by the net surplus accruing each year, will further contract as a result of the relatively small surplus expected during the current year (Rs. 13 crores). The total provision for expenditure from the Development Fund in the Railway Plan is of the order of Rs. 92 crores, so that with an annual accretion of about Rs. 13 crores in two successive years, a loan from General Revenues to finance the Railway Development Fund expenditure has become unavoidable. As the House is aware, this Fund which is built from Railway surplus is designed to meet the cost of works for providing amenities to passengers and other

Railway users, the cost of Labour Welfare works estimated to cost individually more than Rs. 25,000, as well as operating improvements found necessary from time to time, such as improvements in signalling and train control equipment and other safety measures, improvement in watering arrangements, etc. In fact, the Railway Convention Committee, 1954, did envisage occasions when the Development Fund may not be in a position to meet the programme of expenditure chargeable to that Fund from its own resources, and recommended that, in such circumstances, general revenues could advance a temporary loan. Every effort has been made to reduce expenditure, yet a loan of about Rs. 11 crores is necessary in the current year, and arrangements for this have been made.

15. Before I turn to the proposals for the Budget year, I would like to say a few words about the present Convention governing the arrangements between Railway Finance and General Finance. As the House is aware, the present Convention covers the period upto the 31st March, 1960. In the ordinary course, I would have requested the House to set up the next Convention Committee in order to review the working of the present Convention and submit recommendations in advance of the next quinquennial period (1960-65). It is necessary, however, that this Committee, by the time it meets, should have a reasonably accurate appraisal of the Railways' financial position, obligations and surplus resources during the next few years. As such an appraisal is made for the purpose of each Plan, it will be convenient if future Conventions synchronise with each Plan period. This can be achieved by extending the period covered by the present Convention by a year, i.e., upto the 31st March, 1961. The new freight structure has been brought into effect from 1st October, 1958; and if the Convention Committee is set up now, it will not be possible to assess the full financial effect of the freight charges for the purpose of estimating the Railways' earnings for the next few years on a reasonably correct basis. Similarly, on the expenditure side, the Pay Commission's Report is awaited. These considerations emphasise that a realistic assessment of the Railways' financial position will only be possible about a year hence. Indeed, the Convention Committee, 1954, had referred to the need, at the end of each quinquennial period, to make a reasonable forecast of the Railways' financial position in the light of the expansion of their activities as a result of the implementation of the Plan, and this reinforces my proposal for the extension of the present Convention by one year, i.e., upto the 31st March, 1961. I shall move a formal Resolution for this purpose shortly, for the approval of the House.

Budget for 1959-60

16. I now turn to the Budget Estimates for the year 1959-60. The fall in passenger traffic in 1958-59 was unexpected, but the recent months indicate an improving trend. After careful consideration, the estimate under this head for 1959-60 has been placed at Rs. 118.30 crores - an increase of only Rs. 2 crores over the current year's Revised Estimate of Rs. 116.30 crores. The estimate of Other Coaching Earnings has been placed at Rs. 24 crores, i.e., Rs. 45 lakhs less than the current year's Revised Estimate of Rs. 24.45 crores, in order to allow for any drop in parcel traffic.

The estimate of Goods Earnings has been placed at Rs. 272.58 crores - an increase of Rs. 26.75 crores over the Revised Estimate of the current year. This includes an increase of Rs. 5 crores to cover the effect of a full year's increase in the goods freight rates introduced from 1st October, 1958. This estimate is based on the expectation that, in the coming year, the Railways will be called upon to carry about 14 million tons of additional goods traffic, bringing the total freight traffic to about 151 million tons. This 14 million tons increase is made up of about 3 million tons of general goods traffic, 3 million tons of coal, and about 8 million tons transport (ore, coal and finished products) for the Steel Works. It is expected that 3 million tons of additional traffic in general goods will materialise with the anticipated increase in general industrial activity, particularly as a result of the Steel Works going into production, increase in food production over the current year, and increased rail movement expected between Assam, North Bihar, East U.P. and the rest of India with the opening of the Bridge over the, Ganga at Mokameh to traffic. The additional transport of & million tons for the Steel Works will cover the requirements of, Tata Iron & Steel Company and the Indian Iron & Steel Company, which are expected to go into full production by April 1959, as well as the requirements of Rourkela and Bhilai and to a small extent of the Durgapur Steel Plant which may go into production later in the Budget Year.

Sundry Earnings in 1959-60 are estimated at Rs. 8.40 crores.. After allowing for the normal variations in the traffic suspense (viz. an increase of Rs. 40 lakhs over the Revised Estimates of the current year), the Gross Traffic Receipts for 1959-60 are estimated at Rs. 422.03 crores.

17. The Budget Estimate of Ordinary Working Expenses for 1959-60 has been placed at Rs. 283.71 crores - an increase of Rs. 9.49 crores over the Revised Estimate of the current year. This increase is made up of the net effect of annual increments to staff and of other normal variations in personnel (about Rs. 2 crores) and is also due to increase of nearly Rs. 1 crore in the expenditure on Staff Welfare, increase of about Rs. 2.5 crores in repairs costs which covers the additional assets (i.e. newly opened lines, additional

rolling stock, etc.) created in 1958-59 and to be created in 1959-60, and about Rs. 4 crores under operation *(viz.* staff, fuel etc.) necessitated by the anticipated increase in transport requirements. A close check continues to be exercised over expenditure.

18. In my Budget Speech last year, I had referred to the setting up of an Expert Committee on Coal. This Committee submitted their report in August last. They have analysed the effect of rising cost and freight on the Railway Fuel Bill, and found that in the recent past the consumption trend generally has been favourable. The Committee, however, have indicated scope for reducing coal consumption and expenditure mainly by improving the quality of coal and by strict control on pilferage, losses and wastages. The Committee have strongly emphasised the necessity for improvement of the quality of coal by introducing direct purchase contracts between the Railways and collieries and more effective inspection. The Committee's recommendations are being pursued with the Ministry of Steel, Mines and Fuel, who control supplies and inspection.

19. The Programme of Open Line Works chargeable to Revenue has been reduced in the current year in the light of the available net revenue. It is however proposed to spend nearly Rs. 3 crores more on this account in 1959-60 than in the current year, reflecting the progressive increase in the tempo of works. With further capital expenditure on works, there would be an increase of about Rs. 4.5 crores in the Dividend payable to the General Finance over the current year's Revised Estimate. The Revenue Surplus for the Budget year is expected to be about Rs. 21.19 crores, which I propose to credit to the Development Fund. Even with this credit, a loan may have to be taken from the General Revenues in the Budget year also, as in 1958-59.

20. In my Budget Speech last year, I had mentioned that electrification from Howrah to Moghalsarai on the Eastern Railway and from Asansol to Tatanagar-Rourkela-Rajkharswan-Barajamda on the Southeastern Railway will be completed during the Second Five Year Plan period. In view of the urgency of the work, its technical complexities and the wide field of contacts to be covered, a separate administration under a General. Manager and Chief Engineer was set up in June 1958 to administer the Project. Along with detailed work in the field, arrangements for power supply and modifications in telecommunication have been made, and orders for supply and erection of overhead equipment placed for Durgapur-Gaya, Asansol-Sini, Tatanagar-Rourkela, Rajkharswan-Dangoaposi and Kandra-Gomharria sections. Steps are also being taken to arrange for starting work on the remaining sections, while assisting the build-up of indigenous capacity for the requirements of overhead equipment, etc. In order to meet the urgent requirements of traffic in the coal belt area and in the Calcutta suburban sections in Sealdah Division, some rephasing of works, as necessary, is being done. For sections the electrification of which will be continued during the Third Plan, preliminary civil engineering works, like slewing of track, removal of infringements, etc. are also being taken in hand.

As regards electrification of Madras-Villupuram section in the South, I am glad to report that it will be possible to make headway now that power supply has been assured.

21. The supply of critical materials during the current year remained generally satisfactory, with the result that the Works Expenditure maintained its tempo evenly. The difficulty in the procurement of fabricated bridge girders, to which I alluded in my last Budget Speech, has greatly eased with the supplies now being received.

22. The work on various projects is in full swing. During the year, nearly 1500 Engineers and Engineering Supervisors at various levels and about 2 lakh workers have been working on the various projects on the Railways apart from workmen engaged on track renewal and other normal railway works. The third year of the Plan has witnessed the peak of constructional activity on the Railways. Out of the total of 1848, miles of new lines and doublings under execution, 423 miles (i.e., 173 miles of new lines and 250 miles of doubling) have been opened to traffic during the current year. Construction is in hand of 525 miles of new line projects. These are the Chandrapura-Muri-Ranchi-Hatia, Bondamunda-Dumaro, Bhilai-Deorjhal, Barabil-Pamposh Gorge, Bondamunda-Nowagaon-Purnapani, Damodar-Kalipahari, Bijuri-Karaunji, Gidi-Saunda-Bachra branch lines in the Jarangdih and Karanpura Coalfields, Kumedpur-Barsoi, Robertsganj-Garhwa Road, Ghaziabad-Tuglakabad including the Second Yamuna Bridge, the remaining 130 miles of the Khandwa-Hingoli, and the Baraset-Hasanabad. In addition to these, 900 miles of doublings are in progress, made up of 430 miles on the Southeastern Railway, 190 miles on the Southern Railway, 100 miles on the Western Railway, go miles on the Northern Railway, 40 miles on the Central Railway and 50 miles on the Northeastern Railway.

The Rohtak-Gohana restoration on the Northern Railway was opened to Goods Traffic on 31st October, 1958, and to passenger traffic on 29th December, 1958.

23. The work on strengthening of the Assam Rail Link Route is progressing according to schedule. During the first working season of 1957-58, rebuilding of as many as 17 bridges has been completed. Considerable work has also been done for improving and strengthening the protection works to embankments and bridges. It is programmed to rebuild another 20 bridges during the current working season and, complete other ancillary works.

24. The bridge over the Ganga at Mokameh is expected to be opened to traffic in April this year. This indeed will be a commendable performance.

25. The work on the Brahmaputra Bridge is also progressing satisfactorily. The quarry sidings have been laid, base camp built and the construction workshop set up. The work on the sinking of two well piers is in hand.

26. The estimate for the Works, Machinery and Rolling Stock Programme for the Budget year has been placed at Rs. 235 crores, leaving about Rs. 211 crores for the last year of the Plan. The Capital Budget of Rs. 235 crores includes about Rs. 80 crores under Rolling Stock, Rs. 5 crores under Machinery and Plant, Rs. 47 crores under construction of new lines and restoration of dismantled lines, Rs. 37 crores under track renewals and nearly Rs. 66 crores under Other Open Line Works, etc.

27. With a view to reduce the time-lag attendant on the commencement of new line projects to the minimum, as a first step towards the achievement of targets of the Third Plan, and also to maintain the constructional activity generated in this Plan period, it has been decided to initiate action on certain new line projects which would mature in the Third Plan period. These new lines would either traverse difficult terrain or are likely to encounter special problems such as would take time-namely, in land acquisition or heavy formation and bridge work. Such new lines aggregate to nearly 500 miles, and are Udaipur-Himmatnagar, Jhund-Kandla, Tildanga-Farakka, Khajuriaghat-Malda, the Delhi Avoiding Line and the extension of the rail-head from Madhopur across the Ravi into the State of Jammmu and Kashmir. The Guna-Ujjain and Bakhtiarpur-Rajgir links will also be commenced during this year. Other lines included in the Budget Year are the 115 mile long Sambalpur-Titilagarh line and the link from Bimlagarh to Kiriburu; these projects will assist in the export of 2 million tons of iron ore through the Vizag Port.

I would also like to refer to the possibilities of construction of three new lines namely, Mangalore-Hassan, Diva-Dasgaon and Patharkandi-Dharxnanagar links which are under active consideration. Further, there is an offer of "Shramdan" labour for earthwork, etc. from the Rajasthan Panchayat Sangh, for the construction of a Broad Gauge link between Hindumalkot, a frontier station on the Broad Gauge of the Northern Railway, and Sri Ganganagar on the Metre Gauge. The question of making a beginning involving commitments only to a limited extent in initial stages to judge how far the offer referred to will materialise, is also under examination.

Provision has also been made in 1959-60 for Phase II of the conversion of Gudivada-Bhimavaram-Vijayawada-Masulipatam section of the Southern Railway from Metre Gauge to Broad Gauge, estimated to cost about Rs. 3 crores, and doubling of Rajahmundry-Samalkot section at an estimated cost of Rs. 1.32 crores. These would meet the need for increasing the line capacity on the Southern Railway to cope with the anticipated increase in traffic at the end of the Second Five Year Plan.

28. Due to the improved supply position of rails and sleepers, the Track Renewal Programme has been considerably stepped up during the current year and the progress is expected to be maintained in the Budget year.

29. The provision for Amenities for Railway Users has been kept as usual at about Rs. 3 crores, while a provision of about Rs. 10 crores has been made for staff amenities and staff quarters.

30. Three new surveys were sanctioned during the course of the current year. One is for 250 mile line from Bailadilla to Kottavallasa via Koraput, in the context of Dandakaianya Scheme for the rehabilitation of the displaced persons from Bengal, the other for Kiriburu-Bimlagarh link and the third for Korea Coalfields taking off from Bijuri-Karaunii Line of the 900 miles of surveys carried over from the programme of the previous years, nearly 900 miles for the, following projects have been completed:

Nimtita-Tildanga on the Eastern Railway;
Domohani-Alipur Duar on the Northeast Frontier Railway;
Kosikalan-Bharatpur, Kurudwadi-Miraj-Rolhapur, and Orai-Jalaun on the Central Railway
Jagadhri-Chandigarh, Una-Nangal and Tuglakabad-Ghaziabad on the Northern Railway;
Maurigram-Dankuni and Sambalpur-Titilagarh on the Southeastern Railway ; and

Muzaffarpur-Darbhanga on the Northeastern Railway.

31. In my Budget Speech last year, I made mention of the 90 million dollars loan obtained for rehabilitation modernisation and expansion of the Indian Railways, from the World Bank. This loan has been fully drawn. As the House is aware, we have since been able to obtain a further loan of 85 million dollars from the World Bank. Besides, the Development Loan Fund authorities in U.S.A. have also agreed to two loans of 40 million and 35 million dollars. Apart from these loans, assistance has also been received under the Indo-American Technical Co-operation Programme and the Colombo Plan. A, loan of 20 million dollars from U.S.A. and 8 million dollars from Japan have become available for the Orissa Iron Ore Project in which the Railways are interested jointly with the Port and Mining authorities.

32. There has been steady progress towards the objective of self-sufficiency in the country in the manufacture of steam locomotives, carriages, underframes and wagons. In the Budget year (1959-60), out of the total provision of about Rs. 80 crores for rolling stock, about Rs. 68 crores will be spent in the country and only about Rs. 12 crores (including Sea-freight, etc.) on imports. Two new wagon building firms entered the field of production during the current year. The Railway Ministry has taken over the procurement from abroad of plates, for wagons to the extent that the Iron and Steel Controller is, unable to obtain supplies from indigenous sources.

Proposals for the progressive manufacture in the country of the mechanical components of electric locomotives, starting with the assembly of knocked down locomotives, have been sought from the manufacturers supplying electric locomotives on the Eastern and Southeastern Railways. The electric components for the indigenously manufactured electric locomotives may have to be imported in the initial stages, until these can be supplied by the Heavy Electricals Plant, Bhopal. The development of indigenous capacity for the manufacture of diesel locomotives has also been taken up.

33. The indigenous production of railway equipment other than rolling stock and rolling stock parts also continues to make headway. The Development Cell in the Railway Board's Office, in close association with the Industrial Development Wing of the Ministry of Commerce and Industry, has succeeded in assisting the development of further manufacturing capacity in the country which will have the effect of conserving the much needed foreign exchange. There was significant increase in the domestic production of important railway equipment such as mechanical signalling, thermic syphons, pressure castings, signal glasses, vacuum and steam pressure gauges. Some of these were produced for the first time in India. In most cases, imports have been completely eliminated, and where, these are inescapable, are now restricted only to the specialised items of railway equipment. The production of mechanical signalling equipment in the country-both in Railway shops and' in the private sector-has greatly reduced the difficulty in regard to the availability of signalling equipment to which I made a reference in my Budget Speech last year. The Indian Railways Central Equipment Advisory Committee and the four Zonal Committees at Delhi, Calcutta, Bombay and Madras have continued to provide a useful forum at which representatives of Trade and Industry can bring their problems and difficulties.

34.The Chittaranjan Locomotive Works produced 164 locomotives in 1957-58, and expect to produce 168 locomotives ,in the current year and the same number in the next year. A Steel Foundry of 7,000 ton capacity is being set up at Chittaranjan as an essential adjunct to this production unit.

35. TELCO works delivered 85 locomotives in 1957-58 and are expected to deliver 100 locomotives in the current year and the same number in the Budget year.

36. The Integral Coach Factory turned out 222 unfurnished coaches during 1957-58. 295 unfurnished coaches are expected to be produced during the current year, while the Factory would reach its present target of 350 unfurnished coaches in the next year with single shift working. With a view to produce more coaches a second shift will be introduced shortly. The average cost of manufacture has also come down progressively. Against Rs. 1.21 lakhs per unfurnished coach in 1957-58, the cost is expected to be Rs. 95,000 in the current year. The temporary furnishing unit set up within the factory furnished 178 coaches upto November, 1958. It is hoped that this will soon be replaced by a permanent furnishing unit with the capacity to furnish all the coaches turned out.

37. There has been progressive increase in the production of rolling stock in the country. Against 234 steam locomotives and 15,985 wagons received by Railways in 1956-57, 249 locomotives and 17,731 wagons were received in 1957-58, the number of locomotives going up to 268 in the current year, while another 268 locomotives and 17,900 wagons will be received in 1959-60. As regards coaches, 474 Broad Gauge, 185 Metre Gauge and 38 Narrow Gauge bogie third class carriages were manufactured and put into service in 1957-58, in addition to 186 Broad Gauge, 195 Metre Gauge and 31 Narrow Gauge composite

coaches containing third class accommodation. During the current year, 277 Broad Gauge, 175 Metre Gauge, and 4 Narrow Gauge bogie complete third class coaches and 90 Broad Gauge, 183 Metre Gauge and 1 Narrow Gauge composite coaches having third class accommodation have been manufactured and put into service upto the end of October, 1958. A total of 2,008 coaches, in addition to 104 electrical multiple unit coaches, is expected to be received in 1959-60, against a total of 1,538 coaches expected to be received in the current year and a total of 1,248 coaches received in 1957-58.

In the context of increasing indigenous production of rolling stock, I would like to make a passing reference to improvements in railway workshops with a view to meet the steadily increasing maintenance load and to also increase productivity. A Productivity Cell has recently been set up, in keeping with the drive for increased productivity launched by the National Productivity Council, and it is hoped that the activities of this Cell will result in improvements leading to higher productivity.

38. The House, I am sure, will be glad to know that the Joy Ride train in Bal Bhavan was inaugurated in the Capital in November, 1958. The idea had its origin in a suggestion by the Prime Minister and the train's inauguration on his birthday was a fitting fruition of this idea. The working of the train has been now handed over to the Bal Bhavan Board. It will provide the children of the Capital with a popular means of entertainment and general education.

39. During the past year, the Railway Testing and Research Centre carried out performance tests on new Locomotives - notably the Alco Diesel Electric Locos; impact tests on the new 8o ton-bogie wagons designed and built in India; and riding quality trials on various designs of bogies for passenger vehicles. By extensive trials on rails of Thomas steel, their suitability for Indian conditions was established. Other research activities centred round the profitable utilisation of coal ash, of which nearly a million tons are produced by steam locomotives, every year, the development of concrete sleepers, the treatment of boiler feed water with indigenous softening compounds, and the preparation of paints and bituminous emulsions from indigenous materials. In addition, the development from indigenous materials of a bituminous emulsion, which will provide a cheap anti-corrosive paint for steel, has also been patented. Eight other patents were taken out for other new materials and equipment developed by the Research Centre.

40. I have already explained on previous occasions the difficulties confronting the Railways in eliminating overcrowding. All possible measures are, however, being taken to reduce overcrowding in areas where it is most acute. Available resources are being distributed in a manner, which will even out the overcrowding on different Railway Zones, and different areas in the same Zone. It is not possible to provide additional Rolling Stock beyond the financial resources available, but a concerted effort is being, made to mitigate overcrowding by intensive usage and retention of overaged stock by proper repair. As a result of these special measures and as additional rolling stock become available, it is expected that there will be an increase in the seat mile capacity on the Broad and Metre Gauges of Indian Railways by about 24 per cent by the end of the Second Plan compared to what it was at the end of the First Plan.

During 1957-58, 71 new passenger trains were introduced - 38 on the Broad Gauge, 31 on the Metre Gauge and 2 on the Narrow Gauge. In the current year upto 1st December, 1958, 45 trains were introduced on the Broad Gauge and 13 on the Metre Gauge. The run of 18 Broad Gauge trains, 36 Metre Gauge trains and 2 Narrow Gauge trains was extended in 1957-58, and of 16 more Broad Gauge trains and 28 more Metre Gauge trains in the current year. A number of new suburban services were also introduced on various Railways. Against 92 new trains on the Broad Gauge in 1957-58, 52 Broad Gauge trains were introduced upto 1st December, 1958 in the current year, while the run of 36 trains was extended, as against 16 trains in 1957-58. Besides these, 28 electric suburban trains were also introduced on Eastern Railway upto 1st December, 1958, and the run of 8 trains was extended in the current year, against 8 such new trains introduced in 1957-58. A tri-weekly Janata Express train has been introduced between Delhi and Ahmedabad from 1st October, 1958. With all these new trains and extensions, the daily train mileage will have increased by about 15,000 miles in the two-year period 1957-58 and 1958-59.

We have recently provided holiday camping coaches at some of the important holiday centres for the benefit of the Railway passengers. It is the intention to provide such coaches at some more stations where retiring rooms are not available. The facility of sleeping accommodation in third class has also been extended to some of the trains on the Northeast Frontier Railway.

41. Departmental Catering continues to grow in popularity, and is being generally appreciated by the travelling public both in regard to the quality of food and the standard of service. In order to improve the service further, a Special Enquiry has been initiated into the functioning of the Departmental Catering with a view to effecting improvements.

42. The Railway Users' Consultative Committees constituted at different levels continued to render

valuable assistance and co-operation to the Railway Administrations in the matter of improving the services provided by the Railways. Other ancillary Committees, such as the Time Table Committee, the Suburban Railway Users' Consultative Committee, the Passenger Amenities Committee, the Catering Surpervisory Committee and the Bookstall Committee also functioned usefully in their respective spheres.

43. It is a matter of great regret that, in spite of sustained propaganda against the misuse of alarm chain apparatus and intensive checks by selected staff in collaboration with police, the number of cases of alarm chain pulling still continues to be high and is a constant cause of concern. Ticketless travelling is another evil which continues to stalk the land and constitutes a drain on the Railway Revenues. These two evils obviously cannot be completely eradicated without the active co-operation of the Public. I would, therefore, once again, request the cooperation of the Hon'ble Members, as the representatives of the people of the country, to awaken the public conscience by intensive propaganda in their constituencies against the evils of alarm chain pulling and ticketless travelling.

44. Sustained efforts continue to be made to reduce the number of Claims for Compensation for Goods lost or damaged, as well as to finalise the claims quickly. Although during 1957-58, the number of claims registered was slightly higher than in 1956-57, there was a small reduction in the amount paid towards compensation claims. The latest figures available for the current year are also reasonably satisfactory. Viewed in the light of increase in traffic carried, these figures, reflect the beneficial results of the Claims Prevention Organisation and of the re-organised Railway Protection Force. The number of claims cases pending disposal, which stood at 56,891 at, the end of March, 1957, came down to 44,837 at the end of March, 1958, and may come down further at the end of the current year. The average time taken for disposal of each claim has also been reduced. I am aware that there is not full satisfaction yet in regard to the pace of disposal of claims, and I wish to assure the House that no efforts will be spared to secure further improvement.

45. In my last Budget Speech I had referred to the examination of the recommendations of the Railway Freight Structure Enquiry Committee relating to the revision of the Freight Structure as being in the final stages. As the House is aware, the Government's decision on these recommendations was announced in the House on 18th August 1958, and the revised freight structure was brought into force from 1st October, 1958. The full effect of the Revised Freight Structure can be assessed only after it has operated for some time.

The examination of the Railway Freight Structure Committee's recommendations for the amendment of the Statutory Provisions relating to the responsibility of the Railways as carriers is still to be completed. As these recommendations of the Committee have far reaching implications, it will take sometime to finalise Government's decision on them and indeed the Committee themselves recommended time for such examination.

46. As the House is aware, the need to step up exports is imperative. Having regard to this, the question of reduction in freight rates for different commodities has been engaging attention. In respect of 9 commodities, a substantial rebate in freight has been notified. It has further been decided to set up a small Standing Committee of senior officials of the different Ministries concerned such as the Ministry of Railways, the Ministry of Commerce and Industry, the Ministry of Finance and the Planning Commission, to deal with the question of reduction in freight rates for export traffic as also the other steps necessary in that context.

I may also mention an instance of reduction in freight rates for an internal movement about which the House may be interested. Large quantities of cattle dung were being wasted in and around the city of Bombay, for want of a suitable rate to facilitate movement to upcountry places, where they could be used as manure. To meet the situation, a 50 per cent reduction in the freight rate for cattle dung from Bombay to a number of stations has been introduced at the suggestion of the Government of Bombay.

47. I now come to the question of accidents, which has been a subject of considerable concern all round. In the last session of the Parliament, "A Factual Review of Accidents", based on the last 20 years' statistics, was given to every Member of Parliament, which indicated that there was a downward trend in the number of accidents. Unfortunately, there has been a slight increase recently in the number of collisions and derailments. It is far from my intention to minimise the seriousness of this feature in railway working, but I would like to mention that the period which we have been passing through is abnormal. An extensive development of line capacity is under execution on long stretches of trunk routes, upsetting settled conditions of working; at the same time, rapidly increasing volume of traffic has been passing over these sections, which are mostly working to saturation point. Under these abnormal conditions, a state of constant pressure and strain is inevitable, and this at times unfortunately leads to human failures.

We are fully alive to the seriousness of the problem, and the Railway Administrations have been directed to initiate certain measures - educative, psychological and punitive - which, it is hoped, will instil greater safety-mindedness among the staff. Simultaneously, attention has also been paid to the provision of improved technical devices as an aid to the staff; safety organisations and research cells have also been set up on every Railway to undertake a critical analysis of accidents, to focus attention on safety aspects in every field of operation, to carry out intensive inspections and to ensure strict observance of the safety rules and regulations by all concerned.

In regard to anti-sabotage measures, various schemes were examined in consultation with the Intelligence Bureau and the Ministry of Home Affairs. As a result of this examination, the State Governments have been addressed to afford assistance through publicity measures amongst inhabitants of the villages in the vicinity of railway lines, through improvement of the arrangements of the Government Railway Police for the collection of advance intelligence in this regard, through intensification of patrolling of vulnerable areas, through a continuous study of all serious railway accidents by the State CIDs, and through periodical liaison meetings for exchanging info oration between Railway officials and State Police officials. Railway Administrations have been directed to act in close contact with the State Governments for this purpose.

Considerable emphasis has also been given to initial training and refresher courses for all categories of staff responsible for train working. I would like to assure the House that constant endeavours would continue to be made to deal with this problem of accidents with the utmost imagination and care. In this effort I solicit the unstinted co-operation of everyone concerned, so that a greater sense of safety consciousness may be brought about amongst the large number of railwaymen employed for train operation.

48. The Members of Parliament have naturally been evincing considerable interest in the problem of security and safe travel on Railways. Policing on the Railways is a State subject, but the Railway Ministry maintain a close liaison with them through the Railway Protection Force, so that a co-ordinated effort may be made to render Railway travel reasonably safe and to ensure that the public property entrusted to the Railways is secured from theft and damage. The Railway Protection Force with its Armed Wing has rendered useful, service in tackling this problem. The Chief Ministers of the States also, whom I met in this connection, assured me of their fullest co-operation.

49. The problem of corruption on the Railways continues to be tackled vigorously. Activities of the Vigilance Organisation have been intensified, and various preventive measures have been adopted to liquidate this evil. The Central Investigation Agency of the Railway Board's Office examined directly about 200 cases of corruption and other malpractices, while on the Railways more than 3,500 new cases were taken up during the year. Deterrent punishments have been awarded. In 1957-58, departmental action was finalised in 1,301 cases as against 511 in the previous year. The Vigilance Organisation has succeeded not only in highlighting malpractices and bringing corrupt employees to book, but also in protecting those who are honest and allow no laxity, but are maligned by interested parties.

The growing interest evinced in our efforts to eradicate the evil is helpful, and I appeal to the Members of the Parliament and of State Legislatures to continue to extend their full cooperation in the matter and in arousing public conscience, without which this evil cannot be eliminated.

50. Turning now to other aspects of Railway Administration, I would refer to the progressive expansion of medical and welfare facilities for railwaymen and their families. During the current year, 337 more beds have been provided in our hospitals, bringing the total to 4,287. Special facilities have been provided for the treatment of railway employees and their families suffering from T.B. Chest clinics for providing domiciliary and out-door treatment to T.B. patients and for controlling the spread of T.B. have been established in most of the Railway hospitals. To 687 T.B. beds reserved at the end of 1957-58, 211 beds have been added in the current year, and 40 more beds will be available shortly. Dental clinics with part-time dental service have also been provided in some of the hospitals. In order to provide expert medical advice to Railwaymen, the honorary services of consultants of eminence have been enlisted to advise and help in the treatment of cases in the principal Railway hospitals. Medical aid to staff at roadside stations and isolated sections was improved by increasing the number of mobile dispensary vans from 9 to 17.

51. The question of increasing housing facilities for the Railway staff has continued to receive attention from the administration. During the first two years of the Plan, about 25,000 quarters were constructed. Another 11,000 are expected to be added during the current year, and 9,000 in the Budget year. In addition to this, improvements to old type quarters, through, provision of better ventilation, electrification, latrines and kitchens have also been undertaken.

52. The Railways have continued to maintain, as a measure of staff welfare, a number of schools of

various categories, expanding these facilities wherever required. I have been feeling particularly the need for widening the primary school facilities for the children and wards of Railway employees. I have, therefore, issued orders that 500 primary schools should be established on austerity standard. It is hoped that these would be opened before the next school session, i.e., June 1959. It has further been decided that all children studying in the Railway Primary Schools should be required to wear uniforms, of a simple style. This would help to create a feeling of discipline and equality amongst these children. The uniform will be supplied free to the children of railway employees drawing less than Rs. 200 per month.

To mitigate the difficulties of the staff who have to send their children away from their headquarters for the purposes of education, schemes for setting up 13 subsidised hostels in the major linguistic areas have been approved. As we are keen to start these hostels from the coming school year even though the buildings may not be ready, arrangements are being made to obtain alternative accommodation to the extent possible. Ultimately about 1,500 students are proposed to be accommodated in these hostels. The wards of those employees, whose pay does not exceed Rs. 300 per month, will be admitted on payment of concessional rates, while the children of employees drawing more than Rs. 300 per month will be admitted on payment of full messing charges. This scheme, in the case of staff who take advantage of it, will form an alternative to the educational assistance now admissible under the rules.

53. The Per capita contribution to the Staff Benefit Fund has been increased from Rs. 2 to Rs. 4 from 1st April, 1958. This would meet the increased expenditure on account of scholarships, which are being awarded every year in deserving cases to the children of railway employees to assist them in the prosecution of technical education. During 1956-57, about 1,900 applications were received for the grant of technical scholarships and 998 scholarships were awarded involving an expenditure of Rs. 2.95 lakhs from the Staff Benefit Fund. During 1957-58, over 1,400 applications were received; 921 scholarships were awarded in addition to 628 scholarships .carried forward from the year 1956-57. The total expenditure, during 1957-58 on account of these scholarships amounted to a sum slightly in excess of Rs. 4 lakhs. As the courses generally cover four years, the number of scholarships will progressively increase to about 3,000 at any one time.

54. As indicated in my Budget Speech last year, the Tapase Committee was appointed to review the channels of promotion to Class IV staff and concerned matters. The Committee submitted their Report in March, 1958. Orders have already been issued on a number of their recommendations, and other recommendations are being vigorously pursued.

55. The necessity for imparting adequate training to recruits to the various Railway Services and of refresher courses to serving employees is constantly kept in view. A new training school at Bhusawal with a capacity for 650 trainees, is likely to be completed by October, 1959. The Technical Institute at Jhansi has been taken over from the State Government of U.P., and a scheme for increasing its capacity from 32 to I50 for training Mechanical and Electrical Apprentices is under consideration. The temporary Technical Schools at Bangalore and Lucknow are being converted into permanent ones. As recommended by the Estimates Committee, Basic Training Centres have been, and are being, set up in the various workshops and running sheds on the Railways. The capacity of various existing training schools has been increased, and expansion of some others is under consideration. A new training school for the Railway Protection Force staff has been set up at Bulsar, and another at Khargpur is likely to be completed shortly. Arrangements for setting up a Central Advance Permanent Way School at Poona have been finalised, and the school is likely to start functioning soon. This school will serve the E.C.A.F.E. countries also.

56. The House is aware that as a measure of staff welfare, holiday homes have been provided for Class III and Class IV staff at suitable places. Charges for such homes have been fixed at nominal rates.

It has come to my notice that Kashmir is becoming increasingly popular as a holiday resort for Railway employees coming from distant places in India. I have, therefore, decided to provide facilities for such staff by setting up two holiday homes in Kashmir - one at Srinagar and the other at Pahalgam - to serve the employees of all the Railways. It is through the good offices of the Prime Minister of Kashmir that the Government of Jammu and Kashmir have agreed to the grant, free of cost, of land at Pahalgam and Srinagar, along with the transfer to the Railways, at the actual cost, of a suitable building under construction at the former place. I should like to take this opportunity of thanking Bakshi Ghulam Mohammed Sahib for the keen interest he has so kindly taken in this matter, which is of such importance to the welfare of the Railway employees.

57. The Co-operative movement is receiving increasing response on the Railways. Nearly 60 per cent of the railwaymen are members of the Co-operative Credit Societies, whose working capital on the 31st March, 1958 amounted to Rs. 23.37 crores. Besides these, there are about 120 Consumer Cooperative

Societies and their turn-over during 1957-58 amounted to nearly Rs. 80 lakhs.

58. The relations with the Railwaymen throughout the year have been cordial. Regular meetings were held between the National Federation of Railwaymen and the Railway Board for discussion of the various demands of the Railwaymen. The Ad Hoc Tribunal, which resumed sittings to deal with the two items on which agreement could not be reached between the Railway Board and the Federation, has since completed its work and submitted its findings to the Government; these are receiving consideration.

The Unity move between the National Federation of Indian Railwaymen and the All India Railwaymen's Federation has not made much progress. With a view to help the Federations in the process of implementation of the unity agreement on matters like scrutinising the lists of membership, holding elections and settling any possible disputes that may arise, I made available to the Federations the services of an independent observer and a retired High Court judge as an Arbitrator. The Government are anxious to see that railwaymen should unite under one Federation in their own interests, and I still hope that unity would be achieved in the near future. Meanwhile the All India Railwaymen's Federation, who are pressing persistently for a channel being provided for approaching the Railway Board for discussing their demands, have had two meetings with the Railway Board.

59. Before I conclude my speech, I would like to make a brief mention of the fact that outside their normal spheres of work, railwaymen have continued to distinguish themselves in the field of sports and other cultural activities. They are the National Champions in Hockey, Volleyball, Weight-lifting and Kabaddi; individually too, some of them have excelled in athletic-events. In the cultural field, the Exhibition of Paintings and Handicrafts held during the Railway Week last year at New Delhi displayed considerable talent among railwaymen of all categories and their families; so also in cultural performances like dance, drama and music staged at Delhi and other railway centres. All these activities, besides providing a diversion after their duties, help in bringing all classes of railwaymen closer together to build up a cordial fellow feeling in this very large family of railwaymen spread over the whole country.

60. In conclusion, I would like to take the opportunity of placing on record my appreciation of the dedicated manner in which the railwaymen as a whole have tried to discharge their duties. Admittedly they cannot afford to rest on their past achievements. In this critical period of the economic evolution of our country symbolised by the successive rive Year Plans, they have the privilege to play a most significant role, which requires sustained attention, and, therefore, they will have to rise to yet greater heights than hitherto. Considering their performance hitherto in the face of heavy odds, I have no doubt that the House will join me in wishing well by the Railwaymen in the year to come and in the further future ahead.

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